

AGREED-UPON PROCEDURES OF
CITY OF MONROE SALES TAX

For the Year Ended June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Mr. David Barnes
Director of Administration
City of Monroe, Louisiana

We have performed the procedures enumerated below, which were agreed to by the City of Monroe solely to assist you in evaluating the procedures placed into operation for the City of Monroe Sales Tax Department for the City of West Monroe sales tax collections. The City of Monroe Sales Tax Department's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the period July 1, 2006 - June 30, 2007, we selected businesses to check for inconsistencies in their sales tax payment history to the City of Monroe for the sales made within the city limits of West Monroe. Of the eighty-seven businesses tested, twenty-one had some type of inconsistent payment history. Inconsistent payment histories were due partly to limited sales in West Monroe with no income being reported in the months of exception, but with sales taxes being paid in the months of activity. Inconsistencies were also due partly to businesses that paid more than one month of sales tax in one payment. Fifteen of the twenty-one businesses fell in these two categories. These inconsistencies resulted in no payment miscoding or uncollected taxes.

One of the businesses filed the wrong sales tax form resulting in improper coding by the City of Monroe. This resulted in \$13,339 being owed to the City of West Monroe.

Three businesses failed to file returns in some months resulting in delinquency letters being sent to them by the City of Monroe sales tax department. The results are currently pending on two of the businesses while the other is in the process of being audited.

One business has not filed returns in several years. The sales tax department has sent numerous delinquency notices and now is in the process of auditing this business.

The last of the six businesses tested with exceptions is out of business and the owner unable to be located.

We also tested the City of Monroe Sales Tax Department collection system by randomly selecting twenty-five vendors and tracing their transactions through the City of Monroe's collection system to further test the current control procedures. No exceptions were noted.

Our prior year report dated June 7, 2007, did not include any comments or unresolved matters.

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We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the accounting records of the City of Monroe Sales Tax Department or its internal control. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the City of Monroe, the City of West Monroe, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana
July 30, 2008

Cameron, Hines & Harb (APAC)